

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
EASTERN DIVISION

In re)	Chapter 11
)	
PALM HARBOR ONE, LLC,)	
)	Case No. 07-15169-JNF
)	
Debtor.)	

**MOTION FOR AUTHORITY TO EMPLOY VERDOLINO & LOWEY P.C. AS
ACCOUNTANTS TO DEBTOR, *NUNC PRO TUNC* TO AUGUST 21, 2007**

Palm Harbor One LLC, the debtor and debtor-in-possession herein (the "Debtor"), hereby moves this Court for entry of an Order authorizing the Debtor to employ Verdolino & Lowey, P.C. ("V&L"), *nunc pro tunc* to August 21, 2007, as accountants for the Debtor to, among other things, (i) assist the Debtor with the preparation of its schedules of assets and liabilities and its statement of financial affairs (the "Schedules and Statements") and United States Trustee monthly operating reports ("MOR's"), (ii) prepare the estate's federal and state tax returns, (iii) complete federal and state income tax compliance and preparation as needed going forward, (iv) assist the Debtor in the formulation and preparation of its plan of reorganization, including related tax issues and liquidation analyses, and (v) otherwise provide such accounting services as may be required by the Debtor in the course of its duties. In support of this motion (the "Motion"), the Debtor respectfully represents as follows:

Jurisdiction and Venue

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of the Debtor's Chapter 11 case and this Motion in this district is proper pursuant to 28 U.S.C. § 1408 and 1409. The statutory predicate for the relief requested herein is 11 U.S.C. § 327(a).

Background

2. On August 16, 2007 (the "Petition Date"), the Debtor commenced this reorganization case by filing a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code" or the "Code").

3. The Debtor continues to operate its business and manage its affairs as debtor-in-possession pursuant to sections 1107 and 1108 of the Code.

4. The Debtor has a primary place of business in Danvers, Massachusetts. The Debtor owns properties in Palm Harbor, Florida, known as Cypress Falls at Palm Harbor, which consist of two separate but abutting parcels of land with a total of 432 separately deeded condominium units (the "Properties") in one condominium community.

5. Of 432 total units, 76 have been sold to third-party purchasers and are owner occupied or leased independently through the third-party owners, and 356 are leased or being marketed for lease and will be marketed for sale post petition. The Debtor intends to sell many or all of the remainder of the condominium units either "as is" or renovated, through the Chapter 11 process, and the proceeds from the sales and continuing rentals will form the basis of the Debtor's plan of reorganization.

6. The events leading to the commencement of this case are set forth in detail in the Declaration of Joseph D. Lilly in Support of First-Day Relief.

Relief Requested

7. Subject to this Court's approval, the Debtor seeks to retain V&L as its accountants, *nunc pro tunc* to August 21, 2007. The Debtor seeks authority to employ V&L to (i) assist the Debtor with the preparation of its Schedules and Statements and MOR's, (ii) prepare the estate's Federal and State tax returns, (iii) complete federal and state income tax compliance

and preparation as needed going forward, (iv) assist the Debtor in the formulation and preparation of its plan of reorganization, including related tax issues and liquidation analyses, and (v) otherwise provide such accounting services as may be required by the Debtor in the course of its duties.

Basis for Relief

8. V&L has extensive experience and knowledge in the field of accounting and, in particular, with providing accounting services to Chapter 11 debtors in bankruptcy. Accordingly, V&L is well qualified to perform accounting work on behalf of the estate, and the Debtor submits that employment of V&L for its accounting needs is in the best interests of the estate.

9. To the best of the Debtor's knowledge, and except as disclosed in the accompanying Signed Statement of Craig R. Jalbert, CIRA, In Support of Motion for Employment Pursuant to Bankruptcy Rule 2014(a) and Local Rule 2014-1 (the "Declaration"), V&L has no prior connection with the Debtor, the Debtor's estate, its creditors, or any other party in interest, or their respective attorneys, accountants and other professional persons, the United States Debtor or any person employed by the United States Trustee.

10. To the best of the Debtor's knowledge, and except as disclosed in the accompanying Declaration, V&L does not hold or represent any interest adverse to the estate of the Debtor, its creditors or its estate in the matters upon which V&L has been and is to be employed and is a "disinterested person" as that term is defined in 11 U.S.C. § 101(14).

11. The Debtor desires to employ V&L at V&L's standard hourly rates (as set forth in the Declaration). Accordingly, subject to this Court's approval in accordance with applicable bankruptcy law, V&L shall be compensated for its accounting services at its ordinary and customary hourly rates in effect at the time the services are rendered, and shall be reimbursed for

its cash disbursements and for such reasonable and necessary expenses as the firm customarily bills its clients. V&L has not been furnished with a retainer in connection with its engagement as accountants in this Chapter 11 case.

Nunc Pro Tunc Relief

12. Because the Debtor's Schedules and Statements may require significant time to complete and because the Debtor is required to complete its Schedules and Statements on a deadline, the Debtor has sought to engage the assistance of V&L as of the time of this Application. V&L has agreed to begin working with the Debtor on the Schedules and Statements on the condition that the Debtor seek approval of V&L's engagement *nunc pro tunc* to August 21, 2007. The Debtor's Schedules and Statements are currently due on September 14, 2007 at noon. The Debtor believes that it is prudent to immediately begin work on the Schedules and Statements to ensure its ability to meet that deadline. Therefore, *nunc pro tunc* approval is in the best interests of the estate and creditors.

Notice And Prior Motions

13. Notice of this Motion has been given to the Office of the United States Trustee, the Debtor's twenty largest unsecured creditors and those parties and entities who have requested service of pleadings in this case pursuant to Fed. R. Bankr. P. 2002, including representatives of the Debtor's principal secured lenders. In light of the nature of the relief requested herein, the Debtor submits that no further notice of the Motion is necessary or required.

14. No previous request for the relief sought herein has been made to this or any other court.

WHEREFORE, the Debtor respectfully requests entry of an order granting the relief requested herein and such other and further relief as this Court deems just and proper.

Dated: August 31, 2007

By its proposed attorneys,

/s/ Paul D. Moore

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UNITED STATES BANKRUPTCY COURT
FOR THE
DISTRICT OF MASSACHUSETTS
(Eastern Division)

In re:)	
)	
Palm Harbor One LLC,)	Chapter 11
)	Case No. 07-15169-JNF
Debtors,)	
)	

SIGNED STATEMENT OF CRAIG R. JALBERT, CIRA
IN SUPPORT OF APPLICATION FOR EMPLOYMENT PURSUANT
TO BANKRUPTCY RULE 2014(a) AND LOCAL RULE 2014-1

I, Craig R. Jalbert, being duly sworn, do hereby depose and state as follows:

1. I am a Certified Insolvency and Restructuring Advisor and a principal of the accounting firm of Verdolino & Lowey, P.C. (the "Firm"), whose office is located at 124 Washington Street, Foxborough, Massachusetts.

2. I hereby represent that neither I nor any member of my Firm holds or represents any interest adverse to the estates of the above-named Debtors.

3. My and my Firm's connection with the Debtors, any Creditor, or other party in interest, their respective attorneys and accountants are as follows:

(a) Duane Morris, LLP ("DM") represents the Debtor in this case. My Firm represents Jeffrey D. Sternklar ("Sternklar"), in his capacity as Chapter 7 Trustee in other wholly unrelated matters including, but not

limited to: The Rarities Group, Inc. (Case No. 03-18371-WCH); and, Martin Barry Paul (Case No. 05-22881-WCH).

- (b) Sternklar is a partner/member of DM. DM represents various parties in interest in other wholly unrelated cases in which the Firm is also employed including, but not limited to: V&M Management, Inc. (Case No. 96-10123-CJK) where DM was the Chapter 11 Trustee's Counsel and the Firm was the Chapter 11 Trustee's Accountant; Indian Motorcycle Company, Inc. (Case No. 93-41954-HJB) and related cases where DM represented the Chapter 7 Trustee and the Firm was the Trustee's Accountant; Digital Broadband Communications, Inc. (Case No. 00-4650-DE) where DM was Local Counsel and the Firm was Accountant to the Debtor and is Accountant to the post-confirmation Liquidating Supervisor; Country Road Clothing, LLC (Case No. 02-10382-CJK) where DM represented the Debtor's foreign Parent and the Firm is the Chapter 7 Trustee's Accountant; Olympus Healthcare Group, Inc. (Case No. 01-1849-MFW-DE) and affiliates where DM represented the Debtor and I am the Post-Confirmation Liquidating Supervisor and DM is my Counsel; ACT Manufacturing, Inc. (Case No. 01-47641-JBR) where DM represents a Creditor and the Firm was the Debtor's Bankruptcy Consultant and I am the Post-

Confirmation Liquidating CEO; divine, Inc. (Case Nos. 03-11472-JNF) where DM represents a Creditor and the Firm is the Debtor's Tax Preparer; and, Med Diversified, Inc., et al. (Case No. 02-88564) and affiliates where DM was Debtor's Counsel and the Firm was the Accountant to the Creditors' Committee in Chartwell Care Givers, Inc. (a subsidiary) (Case No. 02-88564) and I am the post-confirmation Liquidating Trustee and DM is my Counsel in each case; RISCmanagement, Inc. (Case No. 00-16970-JNF) where DM was hired as Special Counsel to the Trustee and the Firm is the Trustee's Accountant; The Ground Round, Inc. (Case No. 04-11235-WCH) where DM represents a Creditor and the Firm was the Accountant and Financial Advisor for the Creditor's Committee and I am the post-confirmation Liquidating Agent; and, Payton Construction Corporation (Case No. 07-11522-RS) where DM represents a Creditor and the Firm is the Committee's Accountant and Financial Advisor. The Firm does not represent DM, their attorneys or client(s) in this case.

- (c) Anderson Aquino LLP ("Anderson") represents Mr. Joseph Lilly in this case. My Firm represents John J. Aquino Esq. ("Aquino"), in his capacity as Chapter 7 or 11 Trustee in many other wholly unrelated matters

including, but not limited to: First New England Dental Centers, Inc. (Case No. 98-12769-JNF); Atlantic Rancher, Inc. (Case No. 99-12942-JNF); Shoplink.com, Inc. and affiliate (Case No. 00-17928-CJK); Marine Optical Group, Inc. (Case No. 01-17690-JNF); Country Road Clothing, LLC (Case No. 02-10382-CJK); Hal E. Kaplan (Case No. 02-10978-CJK); Robert Deleskey (Case No. 01-12958-CJK); and Joseph Anderson and Shirley Ann Anderson (Case No. 02-12570-CJK); Joseph J. Monaco (Case No. 01-17744-CJK); James J. MacDonald (Case No. 04-11155-JNF); Medford Electrical Contracting Corp. (Case No. 04-15911-RS); Empire Stone, Inc. (Case No. 04-17252-RS); Mary C. Peterson (Case No. 04-18118-RS); Suzanne L. Sullivan (Case No. 04-18173-RS); Luigi N. Andreassi (Case No. 05-11602-RS); Francisca McKeon (Case No. 05-13019-JNF); Digital Ink, Inc. (Case No. 05-13392-WCH); Cindy Beth Greenstein (Case No. 05-13404-RS); Karen M. Pinto (Case No. 05-14871-RS); Patricia E. DeVoe (Case No. 05-16739-RS); Play it Again Sports (Case No. 05-16783-RS); Allerene Frye (Case No. 05-17620-JNF); Martha Ann Frisbee (Case No. 03-17739-JNF); Brookline Towing and Recovery, Inc. (Case No. 03-11876-RS); Southcoast Express, Inc and Sky View Lines, LLC (Case No. 05-18685-WCH); Harrington Development, Inc. (Case No. 02-12535-RS).

(d) Aquino is a member/employee of Anderson. Aquino and Anderson represent and have represented various parties in interest in many unrelated bankruptcy cases in which the Firm and its employees are employed including: CSA, Inc. (Case No. 98-18736-WCH) where Aquino represents a creditor and licensor of goods and the Firm represents the Chapter 7 Trustee; Servisense.Com, Inc. (Case No. 01-16539-WCH) where Aquino represents a former Officer and the Firm formerly represented the Debtor and I am the Liquidating Supervisor; Waters Lithograph Incorporated (Case No. 01-18490-JNF) where Aquino represents the Debtor and the Firm is the Trustee's Accountant; Northbound Trains, Inc. (Case No. 03-13135-CJK) where Aquino is the appointed Examiner and the Firm is the Debtor's Accountant. The Firm does not represent Aquino, their attorneys or their client in this case.

4. I hereby represent that I have agreed not to share with any persons the compensation to be paid for the accounting services rendered in this case, except with the Firm.

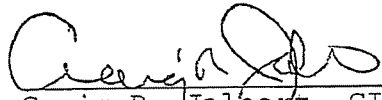
5. Neither I nor my Firm has received a retainer in connection with this matter.

6. I shall amend this statement immediately upon my learning that (a) any of the within representations are incorrect or (b) there is any change of circumstance relating thereto.

7. I have reviewed the provisions of MLBR 2016(a)(1) of the Local Rules of Bankruptcy Procedure for this District.

8. Notwithstanding the foregoing, I hereby represent that I and each member of my Firm are "disinterested persons" as that term is defined in 11 U.S.C. Sec. 101(14).

Signed under the pains and penalties of perjury this 31th day August 2007.


Craig R. Jalbert, CIRA
Verdolino & Lowey, P.C.
124 Washington Street
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(508) 543-1720

UNITED STATES BANKRUPTCY COURT
FOR THE
DISTRICT OF MASSACHUSETTS
(Eastern Division)

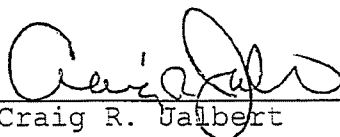
In re:)	
)	
Palm Harbor One, LLC,)	Chapter 11
)	Case No. 07-15169-JNF
Debtors,)	
)	

DECLARATION RE: ELECTRONIC FILING

I, Craig R. Jalbert, hereby declare under penalty of perjury that all of the information contained in my Signed Statement Of Craig R. Jalbert, In Support Of Application For Employment Pursuant To Bankruptcy Rule 2014(A) And Local Rule 2014-1 (the "Document"), filed electronically, is true and correct. I understand that this DECLARATION is to be filed with the Clerk of Court electronically concurrently with the electronic filing of the Document. I understand that failure to file this DECLARATION may cause the Document to be struck and any request contained or relying thereon to be denied, without further notice.

I further understand that pursuant to the Massachusetts Electronic Filing Local Rule (MEFR)-7(b) all paper documents containing original signatures executed under the penalties of perjury and filed electronically with the Court are the property of the bankruptcy estate and shall be maintained by the authorized CM/ECF Registered User for a period of five (5) years after the closing of this case.

Executed this 31th day of August 2007.



Craig R. Jalbert

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
EASTERN DIVISION

In re)	Chapter 11
)	
PALM HARBOR ONE, LLC,)	
)	Case No. 07-15169-JNF
)	
Debtor.)	

CERTIFICATE OF SERVICE

I, Paul D. Moore, hereby certify that on this 31st day of August, 2007, I caused a copy of the following documents:

1. Motion for Authority to Employ Verdolino & Lowey P.C. as Accountants to Debtor, *Nunc Pro Tunc* to August 21, 2007;
2. Signed Statement of Craig R. Jalbert, CIRA, in Support of Application for Employment Pursuant to Bankruptcy Rule 2014(a) and Local Rule 2014-1; and
2. [Proposed] Order Authorizing *Nunc Pro Tunc* Retention and Employment of Verdolino & Lowey, P.C. as Accountants to the Debtor and Debtor-in-Possession

to be served as indicated upon the persons/entities on the attached Service List.

/s/ Paul D. Moore
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PALM HARBOR ONE, LLC
Chapter 11 Case No. 07-15169-JNF

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